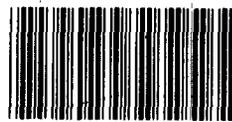


March 1993

ACQUISITION MANAGEMENT

Waivers to Acquisition Work Force Training, Education, and Experience Requirements



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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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March 30, 1993

The Honorable Ronald V. Dellums
Chairman, Committee on Armed Services
House of Representatives

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate

Over the years, the Department of Defense (DOD) has undertaken several initiatives to improve its weapon systems acquisition process. Nevertheless, DOD's management of acquisition programs is often the source of much public and congressional criticism. To address this criticism, Congress enacted the Defense Acquisition Workforce Improvement Act (10 U.S.C. 1701 et seq.) on November 5, 1990. The intent of the act is to professionalize DOD's acquisition work force. It established education, training, and experience requirements that take effect over a 3-year period, beginning in October 1991.

The act permits DOD officials to waive specific qualification requirements pertaining to program managers and other acquisition personnel. It also requires that, through 1998, we annually report on DOD's compliance with the act's waiver provisions. This is our second required report.¹ We are also reporting on DOD's overall implementation of the act in a separate report.²

Background

The quality and professionalism of DOD's acquisition work force has been an issue for over 30 years. In 1986, the President's Blue Ribbon Commission on Defense Management (the Packard Commission) described the DOD acquisition work force as "undertrained, underpaid, and inexperienced." In July 1989, DOD's Defense Management Review³ reported many of the same problems and recommended a series of specific management initiatives to improve the acquisition process and more effectively manage DOD resources.

¹Our first report, Acquisition Management: Implementation of the Defense Acquisition Workforce Improvement Act (GAO/NSIAD-92-97), was published January 31, 1992.

²Acquisition Management: Implementation of the Defense Acquisition Workforce Improvement Act (GAO/NSIAD-93-120, forthcoming).

³On the basis of the Packard Commission findings, the President directed the Secretary of Defense to review DOD's management and develop a plan to fully implement the Commission's recommendations. In response, the Secretary established the Defense Management Review in February 1989.

The Defense Acquisition Workforce Improvement Act (DAWIA) focused specifically on improving the effectiveness and quality of DOD's acquisition work force. It established a career development and management structure headed by the Director of Acquisition Education, Training, and Career Development Policy in the Office of the Secretary of Defense. The act also contained specific qualification standards and assignment period requirements for the acquisition work force. This work force is comprised of 11 functional career fields, such as program management, contracting, and logistics.

Qualification requirements for acquisition personnel are not new. Since 1987, program managers have been required by law to complete either the Defense System Management College's program management course or a comparable course. Since 1990, program managers and general or flag officers have been required to have 8 years' experience in the acquisition, support, and maintenance of weapon systems, including at least two experiences in a procurement command. The current act expands these requirements by including other acquisition disciplines and more stringent experience requirements.

The effective dates for the act's provisions are staggered from 1991 through 1993. The requirements for program manager qualifications were effective October 1, 1991. The requirements for deputy program managers, program executive officers, general and flag officers and civilians in equivalent positions, and senior contracting officials took effect on October 1, 1992. Effective October 1, 1993, provisions regarding contracting officer qualifications will take effect. The act also contains provisions to allow incumbents serving in program manager or other critical positions as of a certain date to be exempt from the act's qualification requirements. For these individuals, DOD would issue exceptions, not waivers.

Beginning October 1, 1991, the act required that newly appointed program managers of major and significant non-major defense acquisition programs

- complete the program management course (or an equivalent course) at the Defense Systems Management College;
- agree to a tenure requirement that they remain in their position until the completion of the first major milestone closest in time to the date they had served 4 years, and sign a written agreement to remain on active duty (or in federal service) during this period; and

- possess acquisition experience: at least 8 years for major defense programs (2 of which were in a systems program office or similar organization) and at least 6 years for significant non-major programs.

Beginning October 1, 1992, deputy program managers must have 6 years of acquisition experience and, along with program executive officers, have attended the program management course. Effective this same date, program executive officers, general and flag officers, and civilian equivalents must have 10 years' experience in acquisition positions. Four years of this experience must have been in a critical acquisition position. Senior contracting officials must have 4 years' experience in contracting in order to fill a critical position in contracting.

Results in Brief

During fiscal year 1992, service officials approved 33 waivers for program managers, general officers, and program executive officers. No waivers were issued for deputy program managers or contracting officials. There were two recurring reasons for these waivers: the individuals lacked either the program management course or the requisite acquisition experience. We found that about 45 percent of the individuals receiving waivers did not satisfy either requirement. DOD and service officials stated that they do not know the number of personnel assigned during this period that met the qualification requirements nor the number of incumbents currently in acquisition positions that do not meet the qualification requirements.

Compared to the other services, the Army issued a disproportionately higher number of the waivers for senior officials. Although these individuals may have been highly qualified for the positions they occupied previously, the act clearly intends that senior acquisition officials be highly qualified in the acquisition discipline. Even though the requirements of DAWIA are relatively new, the waivers indicate that many of these officials did not meet previously enacted training and experience requirements. The general practice of assigning to acquisition positions senior officers that have little or no acquisition experience is not consistent with the intent of DAWIA and previous legislation establishing acquisition experience requirements.

Waivers Issued for Training Course and Experience

Service officials issued waivers for a total of 33 individuals during fiscal year 1992, 13 program managers, 18 general officers, and 2 program executive officers. Of these, 30 received waivers because they lacked the program management course and/or the acquisition experience.

In 15 cases, the individuals received waivers from both requirements. Since the 10-year DAWIA experience requirement did not become effective until October 1, 1992, the experience waivers applied to the 1985 legislative requirement that program managers and general officers have at least 8 years' acquisition experience. Three waivers were for individuals who did not complete their 4-year appointments. No DOD agency officials were granted waivers.

DOD officials could not determine the number of total positions that were filled in which qualification requirements were met or the number of incumbents currently in acquisition positions that do not meet the qualification requirements. Table 1 summarizes the waivers approved by each service.

Table 1: Summary of Waivers Approved for Fiscal Year 1992

Reason for waiver	Army	Navy	Air Force	Total
Program management course	4	3	1	8
Acquisition experience	6	1	0	7
Both course and experience	13	2	0	15
Did not fulfill tenure	0	3	0	3
Total	23	9	1	33

According to DOD policy, waivers may be granted by the service secretary or his designee if (1) unusual circumstances justify the waiver or (2) the individual's qualifications obviate the need for meeting the standards. Most of the waivers approved in 1992 cited the second justification as the basis for the waiver. In several cases, the individual's distinguished operational career experience was used as a basis for the waiver.

Program Management Course Waivers

The program management course lasts 20 weeks and is offered twice a year by the Defense Systems Management College at Fort Belvoir, Virginia. It is a DOD-wide course that addresses a variety of acquisition issues, including policy, financial, technical, life cycle, and contract management.

During fiscal year 1992, a total of 23 waivers were granted for officials that had not attended the program management course. The primary explanation for granting the waivers was that the individuals were otherwise qualified based on other training and/or experience. None of the 18 general officers, 2 program executive officers, or 3 newly appointed program managers who received waivers for the requirement had taken the course. Of the 23 waivers, 17 were for Army personnel, 5 were for

Navy personnel, and 1 was for an Air Force person. Neither Army nor DOD officials could explain why the Army had a significantly higher proportion of waivers than the other services.

DOD and Army officials explained that most of the waivers—20 out of the 23—were for general officers and senior civilians who had worked primarily in operational or other than acquisition career fields. According to DOD and Army officials, it was not practical for the general officers to attend the program management course because (1) the course is targeted at mid-level acquisition personnel and (2) the course requires students to be away from their jobs for an extended period of time. Army and DOD officials also noted that the program management course has a large backlog because it is only offered twice a year and only at one location. However, the course backlogs were not given as the reason why the senior officials had not attended the course.

Whether the course requirement should be waived for acquisition officials is within the discretion of the service secretary. In a recent policy decision, the Army says it discourages such waivers for those in the program management field. Instead, Army policy recommends that early attendance at the course be scheduled and/or the reporting date of the new manager be adjusted. The policy decision indicates that if this is not possible, an alternate appointment may be considered. This may improve the Army's waiver experience for the program management field if it is implemented in practice.

The act allows this training course requirement to be fulfilled by equivalent courses. According to DOD officials, one such course has been approved at the Naval Post Graduate School and DOD is in the process of reviewing another at the Air Force Institute of Technology. The fiscal year 1993 Defense Authorization Act also requires DOD to develop a program that would allow acquisition personnel to fulfill certain educational requirements with experience. DOD has recently initiated such a program.

**Acquisition Experience
Waived**

Twenty-two of the individuals who received waivers (14 general officers, 7 program managers, and 1 program executive officer) did not have the required acquisition experience. Of these 22 receiving waivers, 19 were Army officials and 3 were Navy. In most of the waiver cases, the officials had a wealth of operational experience, but little or no acquisition experience.

Most of the program managers who received waivers came closer to meeting the experience requirement than the general officers did. On average, program managers lacked about 27 percent of the required experience while none of the general officers had even half the experience required. We found that the majority of the program managers who received waivers needed 2 years or less of additional experience to meet the act's requirements. In contrast, the majority of general officers receiving waivers for this reason had significantly less acquisition experience. This is particularly true in the Army, where three of its general officers had no acquisition experience at all.

DOD officials expressed concern that the act's extensive experience requirements make it difficult for senior officers with operational backgrounds to hold acquisition positions. Although these individuals may have had distinguished operational careers, an overall intent of the act is to ensure that in general, personnel serving in critical acquisition positions have sufficient acquisition experience. Nevertheless, Army officials stated that, all things considered, these officers were the best qualified for the positions. According to Army and DOD officials, this situation exists because the Army (1) highly values operational experience and has historically assigned officers from operational fields to non-operational positions, (2) did not act promptly to develop an adequate number of qualified officers in the acquisition career field as initially intended by the 1985 legislation, and/or (3) is not promoting career military acquisition personnel with the required education, training, and experience in sufficient numbers to ensure that a qualified pool of candidates exists to fill senior acquisition positions. According to an Army official, an analysis of officer promotion rates shows that officers in the Army's acquisition field have not been promoted at the rate of operational officers. As a result, there are fewer senior officers with the requisite training and experience to fill acquisition positions.

Army officials stated that the Army was taking steps to develop an adequate pool of highly qualified officers in the acquisition field who would be able to progress to senior-level positions—as required by the act. As a result they believe the number of waivers should decline in the future.

Conclusions

The practice of assigning general officers who do not meet the act's qualification requirements to critical acquisition positions, particularly within the Army, is a concern. This practice may reflect a service culture that places a high value on and preference for operational experience in filling non-operational positions. A change in this culture may be required to comply with the intent of DAWIA. The act requires the Secretary of Defense to ensure that those who wish to pursue careers in acquisition are provided a career path of training, education, experience, and assignments necessary to progress to the most senior acquisition positions. As required by DAWIA, we will continue to review and report annually through 1998 on DOD's use of the waiver authority granted under the act.

Scope and Methodology

Our review covered the Departments of the Army, the Navy, and the Air Force; the Office of Secretary of Defense; and the other DOD agencies. We obtained the fiscal year 1992 waiver documentation from the Office of the Director, Acquisition Education, Training, and Career Development Policy within the Office of the Secretary of Defense. For those waivers submitted and approved, we examined how the services determined that an appointee should receive a waiver. Our analysis focused on why each individual received a waiver, not the number of provisions that were waived for each individual. We did not attempt to determine whether the services had submitted waivers for all personnel who did not meet the act's requirements.

We assessed the justification for the waivers using criteria contained in the act; DOD Instruction 5000.52, Defense Acquisition Education, Training, and Career Development Program, dated October 25, 1991; and the Under Secretary of Defense's October 1, 1991, policy memorandum, which was superseded by DOD Instruction 5000.58, "Defense Acquisition Workforce," dated January 14, 1992.

This review was conducted between February and December 1992 in accordance with generally accepted government auditing standards. Comments from DOD are reprinted in appendix I.

We are sending copies of this report to the Secretaries of Defense, Army, Navy, and Air Force and to other interested congressional committees. We will also make copies available to others upon request.

Please contact me at (202) 512-4587 if you or your staff have any questions concerning this report. Major contributors are listed in appendix II.

A handwritten signature in black ink, appearing to read "Paul F. Math". The signature is stylized and cursive.

Paul F. Math, Director
Acquisition Policy, Technology,
and Competitiveness Issues

Comments From the Department of Defense



ACQUISITION

OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301-3000

1 MAR 1993

Mr. Paul F. Math
Director, Research, Development,
Acquisition, and Procurement Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Math:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "ACQUISITION MANAGEMENT: Waivers to Acquisition Workforce Training, Education, and Experience Requirements," dated February 5, 1993 (GAO Code 396772/OSD Case 9302-A).

The DoD has reviewed the draft report and concurs with the following comment: Waivers, overall, were few in number and were granted in accordance with statutory authority and DoD policy to assign the best qualified individuals to critical acquisition positions.

The Department appreciates the opportunity to review the report in draft form.

Sincerely,

A handwritten signature in cursive script that reads "James S. McMichael".

James S. McMichael
Director, Acquisition
Education, Training and
Career Development

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